INFORMATION LETTER

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USDA Crop Report Forecasts Increases in Fruit Tonnages

Slight improvement in the all-crop prospects occurred during August, but changes were noted for virtually each crop, according to a report on September 1 conditions by the General Crop Reporting Board of USDA. The report was issued September 10.

Deciduous Fruits

Prospective deciduous fruit tonnages increased 1 percent during August. Small increases for apples, pears, grapes, plums and prunes more than offset a decline in peaches. August weather was mostly favorable for development of late fruit, although the hurricane in New England caused some damage, principally in Massachusetts, Maine and New Hampshire, where between 2 and 3 million bushels were blown off trees.

Larger tonnages than a year ago are expected for apples, grapes, pears, and prunes, but smaller tonnages of peaches, sweet and sour cherries, plums, and apricots. The aggregate is 1 percent larger than in 1953.

Apples—The commercial apple crop is forecast at 102,313,000 bushels, exceeding the August 1 estimate by 792,000 bushels. The eastern states have a larger-than-usual percentage of the total crop.

Peaches—The peach crop is now estimated at 60,881,000 bushels, 6 percent less than the 1953 crop and 9 percent less than average. By regions, compared with last year, the North Atlantic is about the same, South Atlantic down 5 percent, North Central up 3 percent, South Central down 40 percent, and Western down 3 percent. The Colorado crop at 2,116,000 bushels is 5 percent above the August forecast, 61 percent above the short 1953 crop, and 16 percent above average. Quality of the crop has been very good.

Pears—The pear crop is placed at 29,297,000 bushels, slightly above the 1953 crop but 4 percent below average. Larger crops are reported in Michigan and Oregon than were indicated

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1954 Pack of Canned Peas

The 1954 pack of canned green peas totaled 27,245,133 actual cases, compared with the 1953 pack of 31,365,949 cases, according to a report by the N.C.A. Division of Statistics.

The largest percentage decline in the pack, by states, occurred in Ohio, down 52 percent from last year; Idaho and Utah, where the pack of sweets was down 47 percent; and Michigan, down 29 percent.

Only two areas showed larger packs in 1954 than in 1953—Delaware and New Jersey, up 10 percent; and the minor pea producing states of the Midwest, up 14 percent.

The total canners' supply for the 1954-55 season is 31.5 million cases compared with 34.8 million a year ago. Together with stocks in the hands of wholesale distributors and retail chain warehouses on June 1,

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Advance Copies of Article Featuring Canned Foods

An advance copy of *The American Weekly* issue of September 19, which carried the feature "Entertain Wonderfully with Dinners from Cans," was mailed to N.C.A. members this week.

In addition to the actual advance copy of the magazine itself, the mailing included a sample of a "Tip Sheet" which *The American Weekly* had prepared and distributed to more than 12,000 retail units across the country in the areas reached by the Sunday newspapers that carry *The American Weekly*.

The two pieces rounded out the picture of total promotion of this selling feature of the current N.C.A. Consumer and Trade Relations program, and furnish an additional opportunity for canners to follow up with brokers and buyers, again reminding them that the movement of canned foods can be promoted with mutual benefit. Such sales efforts could continue strong through September and October.

Vegetable Production Still Controlled on Diverted Acres

New rules limiting the use of acreage diverted from basic crops in 1955 still provide for controls in production of canning crops on that acreage.

USDA announced September 15 that the diverted acre program has been modified by eliminating the "total acreage allotment" provision. The announcement explained:

"As previously announced, this program requires compliance with all individual crop allotments as a condition of eligibility for price support on any crop—cross compliance. In addition, for those farms where more than 10 acres would be diverted from allotment crops in 1955, the further provision of the 'total acreage allotment' was to apply. Total acreage allotments would serve to limit the production of 'market' crops to the 1955 allotments of allotment crops plus the 1953 acreage of other crops. This is the provision which is suspended by today's action.

"Under the revised program, there will be no distinction next year as to the size of farm operations with regard to diverted acres. There will be no 'total acreage allotments,' even if more than 10 acres are to be diverted from allotment crops in 1955. Cross-compliance with individual crop allotments will be the basic requirement for price-support eligibility.

"There are special provisions with regard to two crops, or groups of crops. One applies to commercial vegetables and the other to wheat.

"The 1955 harvested acreage of vegetables, potatoes and sweet potatoes (for the fresh market or processing) and dry edible beans must not exceed the average acreage of these crops planted for harvest on the farm in 1952 and 1953. If the harvested acreages of these crops do exceed the 1952-53 base, the producer is not eligible for any of the crop price supports which are available in 1955—even if he has complied with the individual crop acreage allotments established for his farm. This provision is intended to give added protection to the commercial vegetable and potato growers, who are especially vulnerable to the possible adverse effects of shifts in production."

USDA said that the revised program for diverted acres will permit "increased flexibility" in planting

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C. R. Carry on Fisheries Panel

Charles R. Carry, Director of the N.C.A. Fishery Products Division, took part this week, at the annual meetings of the American Fisheries Society and the International Association of Fish and Game Commissioners, in a panel discussion on the commercial fishing industry. The discussion was designed to acquaint members of both organizations, most of whom are concerned with programs for the sport fisheries and wildlife, with the range of problems of the commercial fishing industry.

Mr. Carry's participation was invited by Dr. Richard Van Cleve, director of the School of Fisheries, University of Washington, who was moderator of the panel.

American Weekly Magazine

Twelve canned foods were used in the recipes that food editor Amy Alden featured in her article "When They Come Home for Lunch." The article appeared in *The American Weekly* magazine of September 5.

The sandwiches and salads included canned cream of celery soup, corned beef, pineapple, corned beef hash, chili sauce, baked beans, tuna, salmon, chicken, turkey, peas, and fruit cocktail.

The American Weekly is the Sunday magazine supplement with many leading newspapers.

1954 Pack of Canned Peas

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the total supply is 35.1 million cases compared with 38.7 million a year earlier.

Shipments during the past two years have been running about 31 million cases. Hence, if consumption continues at current rates, this year's supply would appear to be well balanced with demand.

	1952-53	1953-54	1954-55
	(millions of actual cases)		
Carryover, June 1:			
Canners	4.7	3.4	4.2
Distributor	*4.6	3.9	3.6
Pack	29.4	31.4	27.2
Supply	38.8	38.7	35.1
Season shipments	31.4	30.9	....

* Estimated.

Although the size of the 1954 pack of frozen peas is not yet known, it is expected to be somewhat under last year's pack.

The proportion of canned peas of Fancy grade in the 1954 pack was somewhat above a year ago, 58 percent grading Fancy this year compared with 56 percent last year and 53 percent in 1952. The proportion of the pack in Fancy grade in each of the four geographic regions during the past three pack years is shown in the following table:

Region	1952	1953	1954
	(percent of pack)		
Northeast	68	59	64
Middle Atlantic	29	21	30
Midwest	51	57	57
West	63	61	68
U. S. Total	53	56	58

The distribution of the 1954 pack among various grades shows about two-thirds of the sweets in Fancy grade and about one-fourth in the Extra Standard grade. This compares with 61 and 28 percent, respectively, in these two grades in 1953. For Alaskas, the distribution among the three grades in the 1954 pack shows 36 percent in Fancy grade and 32 percent each in the Extra Standard and Standard grade. The following table shows the grade distribution for Alaskas and sweets separately:

Grade	Alaskas 1953	Alaskas 1954	Sweets 1953	Sweets 1954
	(percent)		*(percent)*	
Fancy	37	36	61	65
Extra Standard	34	32	28	26
Standard	29	32	11	9

The proportion of the pack in the No. 303 can size continued to edge slightly upward in 1954. This year 73 percent was in this can size compared with 72 percent in 1953 and 70 percent in 1952. The 8Z can size showed an increase to 15 percent of the total pack this year, compared with 12 and 13 percent in the two preceding years. The proportion of the pack in No. 10 cans was down to 10 percent of the total, compared with 13 percent in the two preceding years. All the other can sizes, including No. 2 cans, accounted for less than 1 percent of the 1954 total.

Can Size	1952	1953	1954
	(percent of pack)		
No. 303	70	72	73
8Z	13	12	15
No. 10	13	13	10
No. 1 Picnic	3	2	(a)
No. 2	1	1	(a)
All other	(a)	(a)	(a)

(a) Less than one percent.

A check of the percentage of families buying canned peas in 18 major cities during the past year showed declines in 14 of the cities, no change in one, and 3 cities—Duluth, Milwaukee, and San Jose—reported a higher percentage of families buying canned peas this year than a year earlier. In most of the 18 cities, the percentage of families buying canned peas sometime during the year has been gradually decreasing in the past five years.

Pack of Green Peas, in Cases, All Sizes, 1953 and 1954

State	1953 Alaskas	1953 Sweets	1954 Alaskas	1954 Sweets
	(actual cases)		*(actual cases)*	
Northeast:				
New York and Maine	.....	1,007,729	.....	871,463
Middle Atlantic:				
Maryland	436,229	528,190	486,432	478,946
Delaware and New Jersey	127,784	(a)	141,073	(a)
Pennsylvania	333,004	616,215	340,806	565,404
Other states	51,180	29,426	42,840	12,192
Midwest:				
Ohio	129,079	(a)	62,028	(a)
Indiana	224,188	.....	189,271	.....
Illinois	496,616	2,358,153	389,129	2,373,241
Michigan	(a)	172,862	(a)	122,765
Wisconsin	3,814,897	8,631,125	3,428,885	7,617,825
Minnesota	975,085	2,765,663	1,097,072	2,433,623
Other states	183,223	181,025	213,146	203,059
West:				
Montana and Wyoming	.....	327,084	.....	(a)
Idaho and Utah	.....	1,400,950	(a)	744,013
Washington and Oregon	462,518	5,590,347	(a)	4,693,453
Other states	.....	523,209	281,593	456,874
U. S. Total	7,233,863	24,132,080	6,486,275	20,572,858

(a) Included in other states.

Diverted Acreage

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schedules for farms where the total acreage allotments otherwise would have applied.

The revised program for diverted acres was announced simultaneously with two other actions aimed at increasing feed supplies in drought areas.

USDA Crop Report

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August 1. In most other areas, changes from last month were small.

The Bartlett crop in the Pacific Coast states is estimated at 19,975,000 bushels, fractionally higher than the August 1 forecast and 15 percent larger than last year. The Oregon crop is above the August estimate, while Washington and California show no change. Prospects for other varieties in Oregon improved. Washington showed no change. The California crop dropped slightly.

Plums and Prunes—Production of plums in Michigan and California is placed at 73,500 tons, 18,900 tons below the 1953 figure and 11,510 tons below average. In California, all except the latest varieties have been picked. The 1954 prune crop in California is estimated at 182,000 tons (dried basis), 25 percent above the 1953 crop and 2 percent above average.

Apricots—The apricot crop is estimated at 159,900 tons, about one-third below the 1953 crop and 27 percent below average. In California, a very light canned pack resulted from the relatively small crop. The Washington crop was generally of good size and quality. Utah production was over six times the near failure in 1953.

Cranberries—Production of cranberries is forecast at 978,000 barrels, 19 percent below the record 1953 production but 24 percent larger than average.

Figs—Cool weather during August was not favorable for the development of figs. Figs have made good size growth but cracking of a large volume of fruit is expected. Harvest of Kadota figs for canning began about the end of August.

Olives—The olive crop is further advanced than in 1953 and harvest is expected to begin before the end of September.

Crop	Unit	1943–52 ave.	1953 revised	1954 Indicated
		(thousands)		
Apples	bu.	105,802	92,877	102,313
Peaches	bu.	66,586	64,473	60,881
Pears	bu.	30,466	29,081	29,297
Grapes	ton	2,951	2,696	2,701
Cherries (12 states)	ton	200	224	192
Apricots (3 states)	ton	221	243	160
Cranberries (5 states)	bbl.	133,575	211,660	104,378

Citrus

Prospects for the 1954-55 citrus crops continue good in nearly all producing areas. Florida weather continued favorable during August. Grapefruit harvest started September 1.

Texas citrus trees are in exceptionally good condition and most fruit is well advanced. An earlier-than-usual harvest is in prospect. Supplies of irrigation water are plentiful. Arizona prospects are considerably better than last season. There is a light set in some areas, but larger sizes will be partly offsetting.

In California, prospects are generally favorable for the 1954-55 crops and especially for oranges. Harvest of old-crop lemons and Valencia oranges continues.

Vegetables for Processing

The production of nine vegetables which usually comprise about 90 percent of the total will be 13 percent less than in 1953 but only 1 percent below average. Only snap beans will be in larger supply than in 1953. Sharp reductions from 1953 are expected in tonnages of sweet corn, tomatoes, kraut cabbage from contract acreage, lima beans, beets, and pimientos.

Vegetables for Fresh Market

More summer commercial vegetables were available for fresh market than expected on August 1, and total only 2 percent less than in 1953. Yields improved for several late summer crops. The supply of fall vegetables will be 9 percent less than last fall and 5 percent below average. Much of the indicated reduction is due to a small crop of cabbage, but snap beans, carrots, celery, cucumbers, lettuce, and tomatoes also will be smaller crops than in 1953.

Other Crops

Potatoes and Sweet Potatoes—For potatoes, improvement mostly in the West more than offset a decline in Maine, with a resultant increase of a million bushels—to 345,515,000—still below average. Sweet potatoes were affected by the drought and the estimate dropped to 29,136,000 bushels, 14 percent less than in 1953 and 42 percent below average.

Dry Beans and Peas—Prospects for production of dry beans and dry peas declined about 1 percent each during August. The crop of dry beans is estimated at 19,134,000 bags (100 pounds uncleaned basis), 6 percent more than in 1953 and 9 percent above average. Production of dry peas is estimated at 3,868,000 bags, the largest crop since 1947 but only 70 percent of average.

Durum Wheat — Production of durum wheat is estimated at 8,698,000 bushels, only two-thirds as large as last year's small crop and only one-fourth of average. The small crop is due both to reduced acreage as well as extremely heavy losses from rust and unfavorable weather during the growing season.

Yields per acre are poor in all states, with badly shriveled grain resulting in low test weights. Many low yielding fields have been completely abandoned. In South Dakota, harvest has been completed and is nearly completed in Minnesota. In North Dakota, only 29 percent of the crop had been combined or threshed by September 1 with wet fields causing delay.

Crop	Unit	1943–52 ave.	1953 revised	1954 Indicated
		(thousands)		
Beans, dry edible	bag.	17,600	18,114	19,134
Peas, dry edible	bag.	5,519	3,350	3,868
Soybeans	bu.	230,649	262,341	324,713
Potatoes	bu.	409,027	373,711	345,515
Sweet potatoes	bu.	50,637	33,974	29,136
Durum wheat	bu.	35,486	12,967	8,698
Rice	bag.	37,022	52,529	62,677

Beets for Canning

The September 1 indicated 1954 production of beets for canning is 136,800 tons, according to the Crop Reporting Board. This compares with 158,900 tons harvested in 1953 and an average of 141,200 tons for the 1943-52 period.

The preliminary estimate of acreage for harvest is 16,100 acres, which compares with 16,500 acres harvested in 1953 and an average of 16,410 acres for the 10-year period. In arriving at the acreage for harvest in 1954, allowance was made by states for abandoned acreage about in line with average losses for recent years.

The September 1 indicated yield of canning beets is 8.50 tons per acre. In 1953, 9.63 tons were obtained and the average for the preceding 10-year period was 8.50 tons per acre.

State	1943–52 ave.	1953 Revised	1954 Indicated	Percent change from 1953
	(tons)	(tons)	(tons)	
New York	40,500	50,200	45,600	−9
Michigan	8,100	7,800	7,200	−7
Wisconsin	53,400	64,200	47,200	−26
Oregon	19,200	16,900	17,400	+4
Other states[1]	20,000	19,900	19,400	−3
U. S. Total	141,200	158,900	136,800	−14

[1] Calif., Colo., Ill., Ind., La., Me., Md., Minn., N. J., Ohio, Pa., Tenn., Texas, Utah, and Wash.

Snap Beans for Processing

The September 1 indicated production of snap beans for commercial processing is 342,500 tons, according to the Crop Reporting Board. This is about 12 percent above the 304,580 tons harvested in 1953 and 47 percent more than the 10-year average of 232,300 tons.

The indicated yield per acre, based on September 1 conditions, is 2.20 tons compared with 2.17 tons last year and the 1943-52 average of 1.84 tons.

State	1943-52 ave.	1953 Revised	1954 Indicated	Percent change from 1953
	(tons)	(tons)	(tons)	
Maine	6,100	6,900	5,100	−26
New York	36,800	57,100	61,200	+7
Pennsylvania	7,600	12,600	14,000	+11
Michigan	8,900	14,700	14,400	−2
Wisconsin	16,500	23,300	31,900	+37
Missouri	1,000	.....	300	.....
Delaware	2,300	3,000	3,000	.....
Maryland	15,600	17,600	15,100	−14
Virginia	4,900	9,000	6,400	−29
North Carolina	3,000	6,000	4,500	−25
South Carolina	2,200	400	600	+50
Georgia	1,400	200	300	+50
Florida[1]	15,800	29,980	30,600	+2
Tennessee	7,900	12,000	10,200	−15
Mississippi	1,800	1,100	1,700	+55
Arkansas	12,200	1,000	3,200	+220
Louisiana	1,600	600	1,400	+133
Oklahoma	4,800	700	2,400	+243
Texas	10,200	9,100	8,400	−8
Colorado	4,200	5,400	5,900	+9
Utah	1,900	2,500	2,600	+4
Washington	9,000	8,400	10,100	+20
Oregon	39,800	55,100	77,600	+41
California	8,700	14,100	19,800	+40
Other states[2]	8,000	13,800	11,800	−14
U. S. Total	232,300	304,580	342,500	+12

[1] Sum of estimates by seasonal groups. [2] Ala., Idaho, Ill., Ind., Iowa, Ky., Minn., Mont., Nebr., N. H., N. J., N. M., Ohio, Vt., and Wyo.

Cabbage for Kraut

The September 1 indicated production of cabbage for sauerkraut grown under contract is 110,600 tons, according to the Crop Reporting Board. This compares with 129,150 tons in 1953 and the 10-year average of 90,400 tons. These estimates relate to production from acreage grown by kraut packers on their own or leased land as well as production from acreage grown under contract but they do not include open market purchases of cabbage for kraut manufacture.

Last year kraut packers purchased 83,450 tons or about 39 percent of their total supplies on the open market. The 10-year average open-market purchases amount to 86,700 tons or about 49 percent of the total supplies for kraut.

The September 1, 1954, indicated yield on the contracted acreage is 10.72 tons per acre. Last year, 11.40 tons were obtained and the 1942-53 average is 9.56 tons.

As of September 1, the summer and early fall cabbage states, which produce the bulk of the supplies for sauerkraut, are expected to produce 742,700 tons for all purposes, 10 percent less than in 1953. Deducting the tonnage forecast for acreage contracted for sauerkraut in these states (105,800 tons) indicates that 636,900 tons of cabbage will be available for fresh market outlets and for open market purchases by kraut manufacturers this year. This indicated supply is 9 percent less than the 699,850 tons available from the 1953 crop for fresh market and open market purchases in these areas.

Sweet Corn for Processing

The indicated tonnage of sweet corn for processing for 1954 is about 8 percent more than was reported on August 1, according to the Crop Reporting Board. A total of 1,434,500 tons indicated by September 1 conditions compares with 1,519,900 tons harvested last year for canning, freezing, and other processing. The 10-year average is 1,205,400 tons.

The September 1 indicated yield is 3.08 tons per acre. This compares with 3.00 tons obtained in 1953 and an average of 2.59 tons for the 1943-52 period.

State	10-year ave. 1943-52	1953 Revised	1954 Indicated	Percent change from 1953
	(tons)	(tons)	(tons)	
Maine	32,800	35,000	13,200	−63
N. H.	1,300	2,400	1,300	−46
Vt.	2,200	2,500	1,500	−40
N. Y.	63,400	81,500	58,500	−28
Pa.	25,500	24,400	25,200	+3
Ohio	43,700	35,600	26,300	−26
Ind.	64,200	62,000	43,200	−30
Ill.	173,100	215,400	195,300	−9
Wis.	290,600	328,300	345,600	+5
Minn.	221,800	258,200	325,500	+26
Iowa	88,200	72,400	78,400	+8
Del.	10,900	13,200	5,800	−56
Md.	81,600	83,600	78,000	−7
Va.	1,700	2,600	2,700	+4
Idaho	30,500	57,800	53,800	−7
Utah	16,200	28,800	23,400	−19
Wash.	48,300	93,100	73,600	−21
Ore.	37,400	78,300	58,400	−25
Other states[1]	32,000	43,900	24,800	−44
U. S. Total	1,205,400	1,519,900	1,434,500	−6

[1] Ark., Calif., Colo., Mich., Mont., Nebr., N. J., Okla., S. D., Tenn., Texas, and Wyo.

Tomatoes for Processing

Tomato production prospects improved slightly during August, and on September 1 a total of 2,581,250 tons was indicated, according to the Crop Reporting Board. This compares with 3,228,830 tons in 1953 and an average of 3,038,600 tons for the 1943-52 period.

The September 1 indicated yield is 9.92 tons per acre. This compares with 10.94 tons obtained in 1953 and an average of 6.99 tons for the 1943-52 period.

State	1943-52 ave.	1953 Revised	1954 Indicated	Percent change from 1953
	(tons)	(tons)	(tons)	
N. Y.	169,500	176,000	126,000	−28
N. J.	219,600	299,200	184,000	−39
Pa.	168,000	208,300	129,000	−38
Ohio	179,600	234,300	148,000	−37
Ind.	239,500	304,200	221,200	−27
Ill.	73,100	113,300	92,000	−19
Mich.	49,600	76,300	48,000	−37
Wis.	8,500	10,400	7,600	−27
Iowa	10,700	10,900	9,100	−17
Mo.	20,600	2,600	4,000	+54
Del.	40,400	26,700	15,000	−44
Md.	191,900	126,000	88,600	−30
Va.	92,000	42,900	48,000	+12
S. C.	3,500	1,600	1,600	.....
Fla.[1]	15,900	28,430	30,150	+6
Ky.	8,200	5,600	3,600	−36
Tenn.	8,800	900	3,300	+267
Ark.	24,900	4,000	3,800	−5
Okla.	3,100	.....	300	.....
Texas	56,400	8,000	14,000	+75
Colo.	27,300	27,300	23,000	−16
Utah	73,200	100,800	59,800	−41
Calif.	1,236,500	1,411,000	1,312,500	−7
Other states[2]	17,700	10,100	8,700	−14
U. S. Total	3,038,600	3,228,830	2,581,250	−20

[1] Sum of estimates by seasonal groups. [2] Ala., Ariz., Conn., Ga., Idaho, Kans., La., Minn., Miss., Nebr., N. M., N. C., Ore., Wash., and W. Va.

Lima Beans for Processing

The September 1 indicated 1954 production of 98,570 tons of green lima beans for canning and freezing compares with the record large 1953 crop of 106,550 tons and the 10-year average of 63,020 tons, according to the Crop Reporting Board.

The preliminary estimate of acreage for harvest is 110,800 acres. This compares with 109,710 acres harvested in 1953 and an average of 83,160 acres for the 1943-52 period. In determining the acreage for harvest in 1954, an allowance was made for abandoned acreage about in line with average losses for recent years.

The September 1 indicated yield of lima beans is 1,534 pounds. This com-

pares with 1,942 pounds harvested in 1953 and the 10-year average of 1,452 pounds.

State	1943–52 ave.	1953 Revised	1954 Indicated	Percent change from 1953
	(tons, shelled)			
New York	1,290	3,150	2,730	−13
Pennsylvania	2,230	3,250	3,690	+14
Ohio	380	290	320	+10
Michigan	1,370	1,510	1,430	−5
Wisconsin	3,240	6,600	6,160	−7
Delaware	11,040	16,340	15,120	−7
Maryland	2,430	3,000	2,400	−20
Virginia	2,300	3,060	2,310	−24
Washington	1,060	860	2,090	+143
California	18,580	40,300	39,340	−2
Other states[1]	10,100	28,190	22,980	−18
U. S. Total	63,020	106,550	98,570	−7

[1] Ark., Colo., Idaho, Ill., Ind., Iowa, Kans., Minn., Mo., N. J., Okla., Ore., Tenn., and Utah.

Pimientos for Processing

The 1954 estimate of pimientos for processing in Georgia is expected to total 15,380 tons compared with 22,400 tons obtained in 1953 and a 1943-52 average production of 17,150 tons. This estimate, based on September 1 conditions, covers production on acreage contracted by Georgia processors in Georgia. In addition, 9,010 tons are indicated by September 1 conditions for other Southeastern states compared with 11,030 tons obtained in the same states last year.

Hot, dry weather throughout the Southeast has curtailed this year's yield and 0.82 tons were indicated for 1954 on September 1 compared with 1.26 tons obtained in 1953.

1954 Pack of Alaska Salmon

The 1954 pack of Alaska salmon as of August 21 amounted to 2,845,307 actual cases, compared with 2,603,101 cases to the same date last year, it is reported by the Fish and Wildlife Service.

Although a small additional pack will be forthcoming from the limited fall fishing seasons, this figure represents, for practical purposes, the pack for 1954.

Canned Foods for VA

The Veterans Administration has invited sealed bids to furnish the following:

APPLES—9,500 dozen No. 10 cans, Standard (Grade C), or equivalent in No. 2½ or No. 2 cans. Bids due under S-147 by Oct. 5.

APPLESAUCE—7,250 dozen No. 10 cans, Fancy (Grade A), or equivalent in No. 2½ or No. 2 cans. Bids due under S-147 by Oct. 5.

SWEET POTATOES—41,500 dozen No. 2½ cans, whole and pieces, Fancy (Grade A). Bids due under S-151 by Oct. 5.

Tomato Products for USDA

The U. S. Department of Agriculture on September 17 announced acceptance of offers of 511,900 cases of canned tomatoes and 116,365 cases of tomato paste for distribution in the National School Lunch Program.

Purchases of canned tomatoes in the Western states consisted of 187,376 cases of No. 10's at prices ranging from $2.875 to $3.18 per case, and 181,652 cases of No. 2½'s at prices ranging from $3.00 to $3.377. Purchases in the East consisted of 117,392 cases of No. 10's at prices ranging from $3.54 to $3.625 per case, and 25,480 cases of No. 2½'s at prices ranging from $3.82 to $3.98.

The 116,365 cases of No. 10 cans of tomato paste were purchased in the Western states at prices ranging from $4.60 to $4.8375 per case.

Transportation costs were given consideration in making the acceptances. All of the prices stated are exclusive of cash discounts. All contractors are required to make delivery f.o.b. shipping points between September 27 and November 1.

Export of Agricultural Surplus

The President on September 9 issued a policy statement and an executive order providing for administration of the Agricultural Trade Development and Assistance Act of 1954 (P. L. 480). The executive order (10560) assigns primary responsibility for sales under the Act to the Secretary of Agriculture.

The executive order also assigns to the Secretary of Agriculture responsibility for development of overseas markets for agricultural commodities.

To assist and guide government agencies concerned with the surplus program, the President created "The Interagency Committee on Agricultural Surplus Disposal" and named William Lodwick, head of USDA's Foreign Agricultural Service, as its chairman. This group will be under the general policy supervision of Clarence Francis, former chairman of the board of General Foods Corp., who has been a White House consultant since April 1.

P. L. 480 authorizes the sale of surplus agricultural commodities, aggregating $700 million in value, for foreign currencies over a three-year period ending June 30, 1957 (see INFORMATION LETTER of August 28, page 279). An additional $300 million will be used to ship surplus agricultural commodities for disaster and famine relief, this phase of the program to be administered by the Foreign Operations Administration.

Legality of GATT

The legality of U. S. participation in the General Agreement on Tariffs and Trade is under study by the Attorney General, the legal departments of affected government agencies, and by Clarence Randall, special foreign trade consultant to the President and former chairman of the Commission on Foreign Economic Policy.

This was announced September 15 by Samuel Waugh, Assistant Secretary of State for Economic Affairs, at public hearings regarding possible changes in the general provisions of the GATT.

Critics of the GATT have taken the position that it was entered into by the President (in 1947) without clear legal authority and that it subjects the actions of the U. S. government to review by foreign governments. The status of GATT also has been questioned by individual members of Congress, and Congress itself has taken action that implies doubt on its part whether the nation is bound by GATT.

Ninth Session of GATT

Mr. Waugh is chairman of the U. S. delegation to the Ninth Session of the contracting parties to GATT, which will be convened in Geneva November 8. At Geneva, contracting parties will review proposals for modifying organizational provisions of GATT, special treatment for underdeveloped countries, agricultural quotas and export subsidies, import restrictions for balance-of-payments reasons, and the duration of tariff concessions.

Grades for Citrus Juices

Revised grade standards for canned grapefruit juice, orange juice, and blended grapefruit and orange juice will become effective October 19, it is announced by the U. S. Department of Agriculture.

The revised standards replace and differ from those which have been in effect since July 29, 1949, in that two separate styles are included: Style I, Unsweetened (or natural juice), and Style II, Sweetened (with sweetening ingredient added).

The requirements for Brix, acidity, and Brix-acid ratios also have been changed to produce a more desirable blend of sweetness-to-acidity for the respective style and grade. The standards include a sliding scale for Brix-acid ratios for the unsweetened style of Grade A canned grapefruit juice,

and for canned blended grapefruit and orange juice.

The grade standards have been revised after considering the views of citrus growers, processors, and other interested persons following the issuance of proposed changes in July. The revised standards differ from the proposals made at that time principally in providing a sliding scale for the Brix-acid ratios instead of fixed ratios. Other changes from the July proposals are minor, USDA said.

Social Security Amendments

The 1954 amendments to the Social Security Act make sweeping changes in the provisions of the present law, extending its coverage, increasing its benefits, and remedying many of its defects. The changes will affect all employers of workers in covered employment and subject many new employers and self-employed individuals to old age and survivors insurance taxes.

Practical application of the new provisions in many employee circumstances will require reference to the actual statutory text of the law as amended. Regulations of the Internal Revenue Service interpreting the new law are expected at a later date. The following summary will provide a bird's-eye view of the statutory amendments which may assist canners in determining what changes in their present tax practices will be required.

Coverage

Substantial numbers of individuals have been brought within the Act's provisions by the 1954 amendments. The Act's reach has been extended to include a majority of the nation's farmers, whether self-employed or engaged in hired farm work, additional fishery employees, U. S. citizens working on vessels registered under foreign flags, almost all domestic service employees as well as employees engaged in casual labor, and, on the employer's option, the employees of foreign subsidiaries of U. S. corporations. Of principal interest to canners is the extension of coverage to the farm population generally.

Agricultural Labor

Prior to the recent amendments, an individual engaged in hired farm labor was covered only if he was paid at least $50 in a calendar quarter and was "regularly employed" by that employer. The test of "regular employment" was complicated and awkward to apply (see INFORMATION LETTER of December 22, 1950, pages 356, 358), as well as being sufficiently restrictive to exclude from old age and survivors insurance the majority of the nation's farm workers.

The 1954 amendments greatly liberalize the test of coverage for hired farm labor. Beginning January 1, 1955, all farm workers will be considered as engaged in covered employment if the employee receives cash wages of $100 or more in the calendar year from a single employer. Thus, under the new law, farm workers' earnings will be reported and taxes paid annually by the farm operator.

For purposes of determining the farm worker's insured status, earnings of $100 or more in the calendar year will entitle the farm worker to one quarter of coverage; $200 or more to two quarters of coverage; $300 or more to three quarters of coverage; and earnings of $400 or over to four quarters of coverage.

Self-Employed Farmers

Most of the self-employed farmers of the nation have also been brought within the coverage of the Act. The new law provides that self-employed farmers having annual net earnings of $400 or more from their farming operations will be subject to the self-employment tax and entitled to old age and survivors insurance benefits.

To ease the reporting requirements for low-income farm operators, who may have no income tax liability and ordinarily keep few records, special provisions for reporting the income of farmers have been included. If the farmer's gross income is less than $1,800, he may presume his net income for tax purposes to be 50 percent of his gross income from farming. If his gross income is more than $1,800 and his actual net earnings are less than $900, he may presume his net income from farming to be $900. These privileges are available to farmers on an optional basis. In any case, rentals received in the form of crop shares would be excluded from gross income for social security purposes.

The new law retains the provision of existing law excluding from the Act services performed by foreign agricultural workers employed under contracts entered into under Title V of the Agricultural Act of 1949. This latter Act permits the entry of Mexican nationals into the United States for agricultural employment under agreements between the Secretary of Labor and the Republic of Mexico. Authority for such agreements under present law extends to December 31, 1955.

The new law also exempts all foreign agricultural labor lawfully admitted to the United States from the Bahamas, Jamaica, and the other British West Indies on a temporary basis to perform agricultural labor. This latter amendment brings the coverage provisions of the Act in respect to West Indies labor in line with its application to labor from Mexico.

Fishery Employees

Prior to the 1954 amendments, employees engaged in the catching of fish, shellfish, and other aquatic species (except salmon and halibut), either on the shore or as officers or crew members of vessels of 10 net tons or less, were excluded from old age insurance. This exclusion has been revoked in its entirety, bringing all employee fishermen within the Act unless exempt under some other authority.

Previously, individuals employed on or in connection with vessels registered under foreign flags were excluded from old age insurance, regardless of their citizenry or the citizenry of their employers. Under the new amendments, such individuals are covered if they are American citizens employed by American employers, whether the vessels on which they are employed are of foreign registry or not.

Domestic Service and Casual Labor

The Act has been extended to cover all domestic workers who work in nonfarm private homes and who are paid $50 in cash wages by an employer in a calendar quarter. Previously, domestic workers, in order to be covered, were required to work for the employer on at least 24 days in the current or preceding quarter. The latter requirement has been eliminated. As before, covered domestic service will not include any service performed on a farm operated for profit.

Like changes are made in the provisions for coverage of employees who perform work not in the course of the employer's trade or business. The 24-day test has been eliminated and such employees are within the Act if they are paid $50 in the calendar quarter by a single employer.

Employees of Foreign Subsidiaries

Under the previous Act, U. S. citizens working outside of the United States for American employers were within the Act. Employees of foreign subsidiaries of United States corporations, however, were excluded when employed outside of the United States,

whether they were U. S. citizens or not.

The new law permits U. S. citizens employed by foreign subsidiaries of U. S. corporations to be brought within the Act if the American employer makes an agreement with the Secretary of the Treasury to pay the social security taxes for these employees. In this way, taxes may be collected from employers within the United States and the employees of the foreign subsidiaries become entitled to benefits.

Employer Taxes

The new law makes no significant change in the rates of tax which must be paid by employers and by their employees through payroll deductions. The tax rate of 3¼ percent which was scheduled to become effective in the year 1970 has been increased to 3½ percent as of that year. Otherwise the tax rate schedule remains unchanged.

Under the law as amended the tax rate schedule is as follows:

	(percent)
1954 through 1959	2
1960 through 1964	2½
1965 through 1969	3
1970 through 1974	3½
1975 and after	4

As before, the amount of tax determined by application of these tax rates to the employee's base wages must be paid by both employer and employee.

Despite the continuation for the immediate future of the present schedule of tax rates, almost all employers will be required to pay increased social security taxes after January 1, 1955. This is made necessary by an increase in the amount of the employee's earnings subject to tax. The current taxable wage base is $3,600. Beginning with the year 1955, the amount of an employee's wages subject to tax will be increased to $4,200.

Self-Employment Taxes

For the year 1955, the amount of self-employment earnings subject to tax will be increased from the present $3,600 to $4,200 to match the wage base increase for wage earners. The tax a self-employed individual pays is generally 1½ times that paid by employees, although the employee's tax is always doubled by the employer contribution, making the resulting total larger.

As before, self-employment income is not to be considered for tax purposes unless it is in excess of $400 in the calendar year. In respect to individuals whose earnings are derived from both wages and self-employment, the wage or salary earnings are to be considered first for purposes of applying the tax to the earnings base maximum. In other words, when the combined earnings of salary and self-employment exceed the earnings base, self-employment income will be taxed only in respect to that amount necessary to bring the individual's combined earnings up to the level of the $4,200 earnings base.

The rates applicable to self-employment income are as follows:

	(percent)
1954-1959	3
1960-1964	3⅝
1965-1969	4½
1970-1974	5¼
1975 and after	6

Increase in Benefits

Substantial increases in the amount of social security benefits payable are provided for by amendments liberalizing the methods of acquiring insured status and establishing a revised benefit formula. These benefit increases become available not only to individuals presently retired but to those who will retire in the future. The nature of these statutory changes is such that reference to the Act, as amended, is necessary in each case to determine their practical application to particular facts. A number of these amendments relating to benefits, however, will be of direct interest to canners.

Deductions from Benefits

Under the prior law, a wage earner over the age of 65 but under the age of 75 was not permitted to draw social security benefits for any month in which he earned covered wages of more than $75. This limitation had the effect of depriving many seasonal industries of a labor force which might otherwise have been available for temporary employment.

The new law liberalizes the retirement test. An individual now becomes exempt from all retirement tests when he reaches the age of 72. For beneficiaries under age 72, the earnings limitation is made the same for both wage earners and self-employed persons. A wage earner can now earn as much as $1,200 in a year from covered work without loss of benefits. A beneficiary will lose one month's benefit for each $80 or fraction thereof of earnings in excess of $1,200, although he will not be deprived of benefits in any month in which his earnings were less than $80. In general, earnings from both employment and self-employment must be included for application of the test.

Average Monthly Wage

The new law changes the method for computing the average monthly wage, on which the amount of an individual's retirement benefit is based. Individuals retiring in the future, or who meet certain other conditions after that time, will have the privilege of eliminating, in their computation of the average monthly wage, up to five years in which their earnings were lowest or non-existent. This "drop out" of years of low earnings will substantially benefit individuals newly brought within the Act as well as those who have not been continuously employed.

Disability and Insured Status

The new law protects an individual's benefit rights by "freezing" his earning records if he becomes totally disabled for long periods of time. A test of "disability" for purposes of this provision is provided by the amendments. An individual who meets this disability test need not count his quarters of disability in determining his insured status and need not include such non-earning quarters in computing his average monthly wage.

Review of Recent Releases Promoting Canned Foods

Following is a record of radio, TV and press releases (not previously reported in the INFORMATION LETTER) which have been issued during the past month in the current N.C.A. Consumer and Trade Relations program:

Values to the consumer in terms of flavor retention, nourishment, and other factors of the speed achieved in modern canneries were highlighted in the August 10 "Scriptease" release to 67 broadcasters of women's programs, listening audience 4,000,000. The suitability of canned foods as the basis for glamorous meals was the subject of the "Scriptease" radio release of September 7.

Review and reprint of the feature "How Fresh *Is* Fresh?" by Dr. Fredrick J. Stare in the September *McCall's* went to 42 grocery and trade papers on August 18.

Retention of natural freshness by canned foods was discussed in the August 19 "Kitchen-Air" radio script, sent to 178 women's program broadcasters with listening audience of 12,000,000.

Photo and caption release with comments of the freshness of canned foods by Dr. Stare and Helen McCully, food editor of *McCall's*, sent

August 23 to 18 grocery and trade papers.

Canned food promotion efforts of Red & White Corporation, with quotes from their national sales service manager, Ray O. Harb, who also is a member of the Trade Operations Committee advising on the N.C.A. Consumer and Trade Relations program, was sent September 1 to 50 grocery and trade papers.

Convenience factors and other canned food advantages, along with review of the Stare article, were included in "Television Service" released September 9 to 220 telecasters in 133 cities, 41 states, listening audience of 16,500,000.

Details of the N.C.A. roadside sign campaign described in the INFORMATION LETTER of September 4, as part of the current Consumer and Trade Relations program, were the subject of a press release issued September 2 to 62 grocery and trade magazines. The project provides suggestions for highway messages to consumers by means of road signs placed beside fields and orchards where canning crops are growing.

N.C.A. sponsorship of a "Harvest Festival" promotion of canned foods during September and October, in cooperation with *The American Weekly* was announced by press release August 18 to 24 grocery and trade papers. Accompanying the press copy were photographs illustrating the September 19 canned foods feature in *American Weekly* and a number of merchandising suggestions drawn from the eight-page brochure that was part of the mailing.

The freshness of canned foods, as pointed up in Dr. Fredrick Stare's article in the September *McCall's* magazine, was highlighted in the September 1 issue of *Timely Talks*—weekly radio script service distributed to 179 women broadcasters with an estimated actual listening audience of 11 million.

Parade Magazine

An article entitled "Hot and Delicious Sandwiches" in the September 5 issue of *Parade* magazine featured canned deviled ham. Beth Merriman, *Parade* food editor, used a large photograph to show the ingredients and a large close-up of the sandwich ready to serve. A smaller photograph shows a tray with iced drinks and the garnished sandwich on a plate.

Parade is the magazine section of 45 Sunday metropolitan newspapers with a circulation of over six million.

USDA in Civil Defense

The Federal Civil Defense Administration, with approval of the President, has delegated authority and responsibility to the U. S. Department of Agriculture in connection with the civil defense program. The delegation to the Secretary of Agriculture states:

"(1) Plan a national program and direct federal activities concerned with research, diagnosis, strengthening of defensive barriers, and control or eradication of diseases, pests, or chemicals introduced as agents of biological or chemical warfare against animals or crops.

"(2) Plan and direct federal activities, and provide technical guidance to states, in connection with an overall food program aimed at maintaining adequate emergency food supplies for attacked or support areas.

"(3) Plan a national program, direct federal activities, and provide technical guidance to states concerned with the prevention and control of fires caused by enemy attack in rural areas of the United States."

Canned Foods on TV Shows

Television programs in support of the "Harvest Festival" canned foods campaign and *The American Weekly* promotion have been booked in four Midwest cities during the coming week as part of the continuing N.C.A. Consumer and Trade Relations program.

The following special canned foods shows at which Mary Crum of the Dudley, Anderson & Yutzy organization will make guest appearances are announced:

1:30-2 p.m., Monday, September 20—Station WWJ-TV, Detroit, with Jean McBride

1-1:30 p.m., Tuesday, September 21—Station WGR-TV, Buffalo, with Charlotte McWhorter

2-2:30 p.m., Friday, September 24—Station WTSK-TV, Knoxville, with Jeanni Sparks

10:15-11 a.m., Wednesday, September 29—Station WCPO-TV, Cincinnati, with Norma Putenucci

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